



Stanislaus Regional Housing Authority

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MONO | STANISLAUS | TUOLUMNE COUNTIES

Date: August 14, 2025
To: Board of Commissioners
From: Jim Kruse, Chief Executive Officer
Subject: **ACTION ITEM # 1**

- Resolution 24-25-21 approving Stanislaus Regional Housing Authority to enter into a loan agreement with F&M Bank for the purpose of providing the financing for the Westley Bunkhouse (Grischott II) project, for women and children.

ACTION ITEM # 2

- Resolution 24-25-22 approving and authorizing Stanislaus Regional Housing Authority to provide Gap financing for the rehabilitation of the Westley Bunkhouse (Grischott II) project, for women and children.

Prepared by: Kim Ryan, Deputy Executive Director

Resolution No. 24-25-21

Resolution No. 24-25-22

BACKGROUND:

The Grischott II Project is situated on the Stanislaus Regional Housing Authority property at 601 Livingston Circle in Westley, California. The project involves rehabilitating an existing modular building into a Single Room Occupancy (SRO) unit consisting of four (4) individual rooms, with shared common areas including a kitchen, two bathrooms, and a living room).

This project will be the second SRO project completed on the property. Grischott I is an SRO unit consisting of eleven (11) individual rooms, with shared living space (kitchen/living room/bathroom shared by residents) for women.

The modular building being converted, has been vacant for many years. Its open layout and close proximity to Grischott I SRO, after school programs, elementary school, and playground, combined with the success of the SRO model, makes the building a strong candidate for conversion into SRO unit. Modesto Gospel Mission currently master leases the 11 units at Grischott I and has expressed interest in master leasing the new units to expand the housing opportunities for its clientele.

The Authority has contracted with Great Valley Housing Development Company for development services for the Grischott II project. The total project budget is estimated at \$350,000.



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The Authority has determined in order to complete the project, \$250,000 will be attained through conventional loan financing and \$100,000 will be provided by the Authority as a gap loan to the project.

A proposal was provided by F&M Bank in the amount of \$250,000 for a fifteen (15) year term loan with a 10-year fixed interest rate based on the ten (10) year US Treasury rate, resetting after ten (10) years. Proposal attached for more details.

The loan terms for the Authority's \$100,000 gap loan will be a 30-yr term at 3% interest rate paid through residual receipts.

RECOMMENDATION

Following review and discussion, staff recommends the Board of Commissioners approval and authorize the Chief Executive Officer to execute loan documents with F&M Bank for the \$250,000 15-year term loan and execute agreements for the Authority gap loan (not to exceed) \$100,000 for the Grischott II rehabilitation project.

FISCAL IMPACT

Potential loan funding in the amount of \$250,000 for a term of 15 years.

Stanislaus Regional Housing Authority Gap Loan funding in the amount of \$100,000.

Interest and Loan payments will be repaid through project operating budget.

ATTACHMENTS:

Resolution No. 24-25-21

Resolution No. 24-25-22

F&M Bank Proposal



Stanislaus Regional Housing Authority

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RESOLUTION NO. 24-25-21

RESOLUTION APPROVING THE STANISLAUS REGIONAL HOUSING AUTHORITY TO ENTER INTO A LOAN AGREEMENT WITH F&M BANK FOR THE PURPOSE OF PROVIDING THE FINANCING FOR THE WESTLEY BUNKHOUSE (GRISCHOTT II) PROJECT, FOR WOMEN AND CHILDREN.

WHEREAS, the Stanislaus Regional Housing Authority (“the Authority”) has determined that a need exists and desires to rehabilitate an existing modular building into a Single Room Occupancy (SRO) unit consisting of four (4) individual rooms, with shared common areas including a kitchen, two bathrooms, and a living room, for Women and Children, at the Westley property located at 601 Livingston Circle in Westley, CA.

WHEREAS, the Authority has determined that rehabilitation of the project will require the Authority to enter into a financing agreement between the Authority and F&M Bank; and

WHEREAS, the Commission has reviewed and discussed the purpose of the rehabilitation; and

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Stanislaus Regional Housing Authority, that:

1. After legal review of the loan documents, the Chief executive Officer is hereby authorized and directed to take all necessary action to enter into and execute a Loan Agreement in the amount of \$250,000, and all of its related documents, and
2. This Resolution shall take effect immediately.

DULY AND REGULARLY ADOPTED by the Board of Commissioners of Stanislaus Regional Housing Authority this 14th Day of August, 2025. On motion of Commissioner _____, seconded by Commissioner _____, and on the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Approved: _____
Chairperson

Attest: _____
Secretary





Stanislaus Regional Housing Authority

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RESOLUTION NO. 24-25-22

**RESOLUTION APPROVING THE STANISLAUS REGIONAL HOUSING AUTHORITY TO
PROVIDE GAP FINANCING FOR THE WESTLEY BUNKHOUSE (GRISCHOTT II) PROJECT,
FOR WOMEN AND CHILDREN.**

WHEREAS, the Stanislaus Regional Housing Authority (“the Authority”) has determined that a need exists and desires to rehabilitate an existing modular building into a Single Room Occupancy (SRO) unit consisting of four (4) individual rooms, with shared common areas including a kitchen, two bathrooms, and a living room, for Women and Children, at the Westley property located at 601 Livingston Circle in Westley, CA.

WHEREAS, the Authority has determined that rehabilitation of the project will require a Gap Loan for \$100,000 from the Authority to complete the project; and

WHEREAS, the Commission has reviewed and discussed the purpose of the rehabilitation; and

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Stanislaus Regional Housing Authority, that:

1. After legal review of the loan documents, the Chief Executive Officer is hereby authorized and directed to take all necessary action to enter into and execute agreements in the amount of \$100,000; and
2. This Resolution shall take effect immediately.

DULY AND REGULARLY ADOPTED by the Board of Commissioners of Stanislaus Regional Housing Authority this 14th Day of August, 2025. On motion of Commissioner _____, seconded by Commissioner _____, and on the following roll call vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Approved: _____
Chairperson

Attest: _____
Secretary





Stanislaus Regional Housing Authority

Westley Bunkhouse

August 6, 2025

**Presented
By**

**Courtney L. Gogna
Vice President, Relationship Manager**

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F&M BANK

EXPRESSION OF INTEREST LETTER

August 6, 2025

Stanislaus Regional Housing Authority
1612 Sisk Road
Modesto, CA 95350

Dear Jim,

Since 1916 F&M Bank has helped make banking easy for our clients. As a locally owned and operated community focused financial institution, we have a proud history of providing innovative products and services delivered with the highest possible level of customer service. We are very pleased to have the opportunity to provide this Expression of Interest letter and to show how F&M Bank can make banking easy for Stanislaus Regional Housing Authority.

F&M Bank has assembled a team of professionals led by Kent Steinwert, President, CEO and Chairman, to support your banking needs. This team will go out of their way to marshal the resources of F&M Bank to ensure Stanislaus Regional Housing Authority receives service beyond your expectations.

This proposal comes with our commitment to provide personalized service delivered by a relationship team, as well as direct access to F&M Bank's Senior Management at 121 West Pine St., Lodi, CA 95240.

Again, we appreciate this opportunity and look forward to becoming your bank.

Sincerely,



Courtney L. Gogna
Vice President, Relationship Manager

CREDIT PROPOSAL

Borrower:	Stanislaus Regional Housing Authority
Loan Purpose:	Cash-out refinance on permanent supportive housing project for the benefit of single mothers and their children.
Type:	Unsecured Term Loan.
Loan Amount:	\$250,000.
Loan term:	Fifteen (15) years.
Loan Amortization:	Fifteen (15) years.
Rate:	<p>Fixed based on the then prevailing 10-year US Treasury Bill Daily- CMT yield plus a spread of one hundred and eighty six basis points (1.86%).</p> <p>Rate adjustments will occur every ten (10) years based on the then prevailing 10-year US Treasury Bill Weekly- CMT yield plus one hundred and eighty six basis points (1.86%). If the loan funded today the rate would be 6.30% (4.44% + 1.86%).</p> <p>Interest calculated on actual/360 day year.</p>
Floor Rate:	Index subject to rate set at 6.30%.
Loan Fee:	0.50% of the loan commitment payable at time of loan closing.
Loan Processing Fee:	There will be a loan processing fee of \$695. This fee is exclusive of all other third party fees and other charges listed below.
Prepayment Penalty:	5,5,4,4,3,3,2,2,1,1.
Other Charges:	All third party and out-of-pocket fees including but not limited to title, legal, appraisal, environmental surveys, cost review, etc. are to be paid by borrower.
Guarantor(s):	N/A

OTHER CONDITIONS

1. There shall be no secondary financing permitted, unless approved by the Bank;
2. Insurance Requirements:
 - General Liability Insurance at a minimum of \$1,000,000, naming F&M Bank as additional insured.
3. Borrower to provide the following financial information:
 - Annually, Borrower to provide annual CPA Audited financial statements within 270-days of year-end.
 - Additional financial information may be requested.
4. Borrowing entity agrees to maintain their primary banking relationship with F&M Bank;
5. Debt service coverage ratio requirement based on the cash flow of the borrower against all outstanding debt obligations. Requirement of at least 1.25:1 measured annually at borrower's fiscal year end.
6. Additional covenants and/or conditions may be required.

As stated herein, this proposal is for discussion purposes only and **does not constitute a commitment**. Any future commitment of credit is subject to the Bank's receipt of the borrower's application, financial information, credit history and such other information that may be requested by the Bank. Ultimately, credit commitments may require approval from the Bank's Board of Directors. If any credit is subsequently committed by the Bank, you would be required to execute documentation that is in a form and in substance satisfactory to the Bank. Subsequent documentation may include terms and conditions that are different from or in addition to those that are stated in this letter. For example, these terms may include various warranties, representations and covenants regarding financial conditions. Any pre-closing conditions stated in the loan documents would have to be met prior to funding.

This proposal will expire on **August 13, 2025**.

If these terms are acceptable to you and you wish for lender to proceed with underwriting and seeking formal approval of the proposed loan, please sign and return this Expression of Interest Letter.

Thank you for the opportunity to present our credit proposal. Upon acceptance, please sign and return the original to the undersigned.



Courtney L. Gogna
Vice President, Relationship Manager

Stanislaus Regional Housing Authority

By: Jim Kruse

Date

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TREASURY SOLUTIONS

F&M Bank provides treasury solutions to help improve cash flow, streamline payables, manage liquidity, and reduce unnecessary risk exposure.

At F&M Bank you will have access to a dedicated Treasury Relationship Manager who can structure the most appropriate treasury solution to fit your specific needs—we understand that it's not a one-size-fits-all approach.

We're here for your company for the long term. Since 1916, we've had an established track record of helping clients. Whether your company is just starting out or at a stage of maturity, we're focused on meeting your business' financial needs.

RECEIVABLES SOLUTIONS

At F&M Bank, your Treasury Relationship Manager can help evaluate how you do business with your customers in order to help define the best means for collecting receivables. Then, your Treasury Relationship Manager will suggest cost effective solutions that can free up time, money, and resources. Receivables solutions include:

- **Remote Deposit¹**
 - Accelerate cash flow
 - Reduce errors in accounting
- **Lockbox²**
 - Provides an efficient way of processing high volumes of customer payments
 - Accelerate your receivables processing
- **Merchant Card Services³**
 - F&M Bank partners with Elavon to deliver an industry-leading merchant card processing solution
 - Accept payment cards wherever you do business with wireless payment processing
 - Help grow your business with PC and Terminal-based POS solutions
- **Automated Clearing House (ACH)^{4,5}**
 - Ensure timely receipt of payments
 - Eliminate administrative time and expense associated with processing paper-based receivables

INFORMATION REPORTING SOLUTIONS

Know where your money stands at all times, no matter where you are located. Information reporting tools provide a full view of your financial situation. Your F&M Bank Treasury Relationship Manager will evaluate the nature of your information reporting needs to assist in identifying the best solutions for your company. Reporting solutions include:

- **Treasury Management Online⁶**
 - View real-time account activity; up to 6 months of transaction history
 - Locate and print images of paid checks, deposit tickets, deposited items, and more

- Transfer funds between F&M Bank accounts or schedule future transfers
- Place real-time stop payments the minute they need to happen
- Download information into QuickBooks®, Microsoft Excel® spreadsheets, and other money management software
- Customize Treasury Management Online banking hours with Time Protect
- **Account Reconciliation⁴**
 - Improve audit control over funds disbursement
 - Download data files daily or monthly
 - Ideal for businesses issuing a large number of checks

PAYABLES SOLUTIONS

Your Treasury Relationship Manager will evaluate your operations and work with you to find cost effective solutions that can help streamline accounts payable, reallocate resources, and reduce errors. Payables solutions include:

- **Automated Clearing House (ACH)^{4,5}**
 - Pay vendors, direct deposit employee payroll, and pay taxes with ease
 - View additional “addenda” information through F&M Bank’s Electronic Data Interchange (EDI) reporting capability
 - Reduce errors in accounting
- **Wire Transfers Online⁴**
 - Initiate domestic and international (USD) wire transfers
 - Move funds on the same day, easily and safely
 - Schedule one-time transfers or create recurring templates for future use
- **Business Debit Card⁷**
 - Can be issued to a non-signer on the account
 - Limits are customizable per card
 - Use your debit card anywhere Visa® Debit cards are accepted
- **Corporate Credit Card^{3,8}**
 - Credit card services are provided through UMB Financial Corporation
 - No annual fee (non-rewards card)
 - Rewards program available (with annual fee)
 - Comprehensive itemized statements

DEPOSIT SOLUTIONS

F&M Bank offers a wide range of interest and non-interest bearing, FDIC-insured accounts. Our deposit account options can help improve your treasury processes, satisfy your daily business operations, and meet your financial transaction needs.

- **Account Types:**
 - Business Account Analysis
 - Zero Balance Account (ZBA)
 - Sweep Account
 - Money Market Account
 - Certificate of Deposit
 - Business Savings Account

FRAUD PROTECTION SOLUTIONS⁹

Proactively protect your business from becoming a victim of fraudulent activity with fraud protection security. Your F&M Bank Treasury Relationship Manager will assess your business' fraud prevention needs. This can add peace of mind by having systems in place if fraud-related issues should arise. Fraud protection solutions include:

- **Positive Pay⁴**
 - Compares the checks presented for payment to those in your issued check file
 - Catch fraudulent activity before the money leaves your account
 - Decision exception items online in real time
- **ACH Positive Pay⁴**
 - Compares the ACH transactions presented for payment to the companies you authorize
 - Sends alerts when an exception occurs
 - You decide whether or not to approve the transaction
- **ACH Blocks and Filters**
 - Flags and returns transactions that you have not authorized
 - Blocks all ACH debits or credits from selected accounts
 - Filters ACH debits or credits from those companies you designate

Please inquire with your Treasury Relationship Manager regarding current fees or cost and information on other conditions or requirements that apply to the above products. The above information is accurate as of 8/1/2018 and is subject to change without notice.

¹ Internet access and scanner are required. ² Use of U.S. Post Office Box is required. ³ Third party provider and is not an affiliate or subsidiary of F&M Bank. ⁴ Must be set up with Treasury Management Online. ⁵ Required to comply with NACHA Operating Rules for ACH Originator(s). Approval for use may be subject to underwriting criteria. ⁶ Internet access is required and fees to other third parties may apply for use of QuickBooks® and Microsoft Excel® spreadsheets. ⁷ Application and qualification required. Third party fees may apply for use of Point of Sale (POS), Non-F&M Bank ATMs, and for use of Pulse®, Cirrus®, or Visa® networks. ⁸ Application and qualification required. ⁹ These products are designed to enhance your security program to help mitigate fraud risk. However, we cannot guarantee 100% fraud protection.

F&M BANK RELATIONSHIP TEAM

NAME	TITLE	EMAIL	PHONE
Courtney L. Gogna	Vice President & Relationship Manager	clgogna@fmbonline.com	(209)571-4014
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Kent Steinwert	President, Chief Executive Officer & Chairman of the Board	n/a	(209) 367-2448